

30 Nov 74

Approved For Release 2004/09/03 : CIA-RDP88-01314R000100430035-0

Rival Financial News Services

30 NOV 1974 Wash Post

# Dow, Reuters Battle to Wire

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*Los Angeles Times*

NEW YORK—The fierce rivalry between the two key financial wire services—Dow Jones and Co. and Reuters, Ltd.—has produced the type of high jinks that seasoned newsmen haven't seen since the halcyon days of "The Front Page."

But there's hardly time for nostalgia. "It's a very serious business, and for big money," says Margaret Klein, the Reuters financial editor for North America.

New York-based Dow Jones and London-headquartered Reuters provide the primary financial news for brokerage houses around the world. Each organization transmits its report of Wall Street news, corporate earnings, dividends and other financial items on 100-word-a-minute news machines or "tickers." Until Reuters crossed the Atlantic, with its financial report in January of 1968, Dow Jones, with editorial leverage which includes the Wall Street Journal and Barron's, had dominated American financial journalism.

For 80 years, the Dow Jones news ticker, sitting in a corner of a broker's office, was as much a part of the American scene as a Norman Rockwell painting.

Then Reuters, one of the world's largest news agencies, made its decision to compete head-on for financial subscribers in the United States.

Although the "British invasion" was well plotted, and the level of acceptance in the securities industry is fairly high, Reuters still encounters some image problems with its foreign heritage.

To counter this, and to "Americanize" its North

American division (the most autonomous of the Reuters worldwide subsidiaries in terms of management), the news agency attempts to hire and staff with approximately 95 per cent American personnel.

To this day, however, whether it's out of habit or latent nationalistic tendencies, some public relations men still give Dow Jones the first crack at corporate news, according to Reuters editor Klein.

Dow Jones did more than raise its collective eyebrows when the competition began almost seven years ago, knowing that Reuters came equipped with correspondents in more than 200 countries. It already was a strong international competitor for general news clients—mostly newspapers—along with the Associated Press and United Press International.

Additionally, Reuters for more than 100 years had been the dominant financial news service in Europe.

So it was hardly surprising that Dow Jones came out fighting.

Many corporate news conferences were—and still are—staffed with two reporters so that one can race for a telephone on a piece of hot stock market-moving news while the second remains at the briefing.

Out-of-order signs on telephones didn't necessarily deter these financial reporters in the early days of the competition. They were simply the product of a creative Dow Jones or Reuters journalist bent on keeping the communication line open to his office.

To be sure, both agencies today scoff at such tactics. Perhaps, there were some such games at the outset,

but now it has settled down to a serious level of competition, say the editors of the two agencies.

Maybe so. But to this day, beating the competition by a minute is still a big deal.

In fact, says Joseph Guillefoyle, managing editor of the Dow Jones News Service, some stock market traders actually buy and sell on that first scrap of news about a company or an economic indicator out of Washington.

That's why, in the face of this battle to be seconds ahead with the news, stories of journalistic chicanery still crop up.

Alver Carlson, who covers Wall Street for Reuters, recalled one the other day as he relaxed in a conference room on the 39th floor of the Reuters, midtown Manhattan office.

The conflict stemmed from the annual earnings announcement of the prestigious Wall Street firm of Salomon Brothers which, in effect, can set the tone of profits for the securities industry. It is an important news release and Carlson says that the previous year Dow Jones had been a bit too clever for Reuters.

At that time, a Reuters reporter sprinted to a telephone at Salomon's Wall

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Street headquarters only to discover that an enterprising Wall Street Journal reporter already had been slipped the earnings statement by a Salomon secretary.

This year it was Dow Jones' turn to fume. Reuters, Carlson says, struck first, using the same technique—and Dow Jones was left hanging.

Because Reuters is still the smaller of the two—the figures are closely guarded but it's believed Reuters has no more than 800 financial tickers in circulation against 4,000 Dow Jones machines—Reuters still tends to brag more about news beats.

Dow Jones editor Guilfoyle, however, isn't shy about telling interviewers that his news wire has a "two-to-one" edge in news beats in stories both agencies cover competitively. Reuters claims it's much closer.

Both agencies monitor each other and keep minute-by-minute logs on the competition.

Both services complain bitterly about violation of news embargoes, a release time usually imposed by a government agency.

(Securities industry officials don't allow embargoes on most corporate news on the theory that insiders could learn of the news and gain an unfair trading advantage.)

Norman C. Miller, the Dow Jones Washington bureau chief, showed a newsman a fistful of letters to Reuters and government agencies complaining about embargo breaking by Reuters.

Reuters counters that Dow Jones has no claim to being perfect, either.

In any case, both organizations are quick to point out that a news embargo is usually observed; a big government contract announcement, for example, can have a sharp impact on a company's stock.

Benefits from the competition include a streamlining of the Dow Jones wire in terms of tighter editing and faster handling of stories from the time they are telephoned to the New York news desk to the time they are transmitted on the DJ wire.

"Obviously, with competition, you strive to beat it," says Guilfoyle. "The customers have been the beneficiary of the competition."

Warren Phillips, the president of Dow Jones, agrees. "We have a better product today," he says. "This (competition) has made us pull up our socks and sharpen our product... it's probably good for the securities industry... that (subscribers) have a selection."